



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
DISTRICT I HOBBS
1625 N. French Drive, Hobbs, NM 88241
(505) 393-6161
FAX (505) 393-0720

Jennifer A. Salisbury
CABINET SECRETARY

September 29, 1999

Dwight A. Tipton
C/o Oil Reports and Gas Service
P O Box 755
Hobbs, NM 88241

**RE: Coastal State # 2
Unit Letter B, Section 9, Township 9 South, Range 33 East**

Gentlemen:

Through routine inspection it has come to our attention that the above referenced well has been shut in for an extended period of time. The NMOCD records show that you are the last approved operator of the above referenced well. A review of our records show that this well has not been Temporarily Abandoned. Producing wells can not be shut in for longer than a year.

The following options are available regarding the future disposition of this well:

1. Restore the well to production.
2. Set plug, conduct mechanical integrity test, and request temporary abandoned status.
3. Submit a proposal to plug and abandon the well, proceed with plugging on a timely basis after the proposal has been evaluated, amended and or approved.

To avoid further action, we request that you exercise one of the above options no later than December 29, 1999. We request that you notify this office 24 hours prior to any operation in order to witness the operation, either repair or plugging and pressure test upon completion of repairs or to request TXA status.

Very truly yours
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Billy E. Prichard".

Billy Prichard
Deputy Inspector, District 1

Xc: Chris Williams
Gary Wink
File